ACCESS TO MICROFINANCE AS POTENTIAL MEDIATOR ON THE RELATIONSHIP BETWEEN MICROFINANCE AWARENESS AND ENTREPRENEURIAL SELF-EFFICACY ON SME PERFORMANCE IN NIGERIA: AN EMPIRICAL STUDY

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Abstract

The purpose of the study is to examine the mediating effect of access to microfinance on the relationship between microfinance awareness, entrepreneurial self-efficacy and SMEs performance in North-Western Nigeria. Several factors have been suggested in previous studies that have been influencing the SMEs performance such as entrepreneurial orientation, dynamic capabilities, market orientation, total quality management, organizational learning, and others. Despite these studies, only few have attempted to consider the influence of microfinance awareness and entrepreneurial self-efficacy on SMEs performance. Even if any, the mechanisms that explain why there is existent relationship has not been sufficiently addressed in the extant literature. Based on the theoretical consideration, access to microfinance as mediating variable has been suggested. A quantitative survey method was used which data were collected from the owner/managers of SMEs in Sokoto State of North-Western Nigeria. From the total of 100 questionnaires distributed, 74 usable questionnaires were returned. Partial Least Squares (PLS) was used for the data analysis. Based on the statistical findings, microfinance awareness and entrepreneurial self-efficacy were significantly related to SMEs performance. Access to microfinance was found to mediate the relationship between microfinance awareness and SMEs performance and also between entrepreneurial self-efficacy and SMEs performance. Future research also suggested in this study.

Keywords: Microfinance awareness, entrepreneurial self-efficacy, Access to microfinance, SME Performance

INTRODUCTION

Globally, SMEs serve as lifeblood for economic survival of many countries (Tadesse, 2014). SMEs sector also serve as machinery for job creation all over the world (Mahmood & Hanafi, 2013; Oduyoye, Adebola, & Binuyo, 2013). Thus, job creation attracts comprehensive attention worldwide, where supporting SMEs development lag behind (Oduyoye et al., 2013). Generally, many countries used the SMEs’ platform to combat more of their socio-economic problems such as rate of poverty, unemployment, as well as their Gross Domestic Product (GDP) growth issue.

In spite of the important role played by SMEs toward the economic growth and development, Nigerian SMEs are scrawny and only few of them are able to survive due to the problems of access to finance (Kuzilwa, 2005). Furthermore, the poor performance of SMEs in Nigeria is vital issue of a genuine concern to all stakeholders (Gbandi & Amissah, 2014). For example, Nigeria SMEs contribute less than
10% to their GDP. Therefore, SMEs' performance is centered on the number of issues. Remarkably variables like entrepreneurial awareness, entrepreneurial self-efficacy, access to finance and among others are established in the literatures to have far-reaching implications on the SMEs positively or otherwise (NBS & SMEDAN, 2012; Oluboba, 2003; Udenka, 2013).

Number of evidences has been accumulated concerning the determinant of SMEs performance. A broad review of the literature has acknowledged several factors of SMEs performance. For instance, total quality management (Rahman, 2001; Kober, Subraamammion, & Watson, 2012), organizational learning (Michna, 2009; Jiménez-Jiménez, & Sanz-Valle, 2011), market orientation (Chao, & Spillan, 2010; Gaur, Vasudevan, & Gaur, 2011), organizational learning (Michna, 2009; Jiménez-Jiménez, & Sanz-Valle, 2011), dynamic capabilities (Protogerou, Caloghirou, & Lioukas, 2012; Lin, & Wu, 2014), entrepreneurial orientation (Moreno, & Casillas, 2008; Fairoz, Hirobumi, & Tanaka, 2010; Tang, & Tang, 2012) and others.

Although, the aforementioned studies have provided an empirical understandings in relation to the determining factors of SMEs performance, very limited study that jointly examining the “microfinance awareness and entrepreneurial self-efficacy on performance of SMEs”. In line with Mot (2011), microfinance awareness in this study is operationally defined as an entrepreneurial knowledge about the existence and benefit of entrepreneurial opportunities available for entrepreneurial activities (e.g. microfinance facilities). Meanwhile, entrepreneurial self-efficacy is operationalized based on the Bandura’s (1997) definition which refers to entrepreneurs beliefs regarding their ability to organize cognitive resources and needed courses of actions to effectively perform a particular task in a given situation. Therefore, this study will extend the existing literature by empirically examining the influence of microfinance awareness and entrepreneurial self-efficacy on Nigerian SMEs performance.

Furthermore, the mechanisms by which microfinance awareness and entrepreneurial self-efficacy influenced SMEs performance have not been adequately addressed in the literature. Thus, more attention is required to understand the mechanisms through which aforementioned variables predict SMEs performance. This is one of the major gaps in the literature. To fill this important gap, the potentiality of access to microfinance as a mediating variable was proposed by this study. Access to microfinance in this study refers to entrepreneurial financial opportunity available for entrepreneurs for entrepreneurial activities, which in due course boost their enterprise performance. Therefore, the specific rationale behind the mediating relationship is informed by the significance of micro-financing in quite a number of studies stressing its unique role as a catalyst for enhancing performance (e.g., Abdulsalam & Tukur, 2014; Aminu & Shariff, 2014; Akingunola, 2011; Justice, Kofi, & Franciskofi, 2014; Kuziliwa, 2005; Rahaman, 2011). Additionally, not only this study use access to microfinance as a mediating variable, Aminu and Shariff, (2014) also used access to finance as potential mediator in the relationship between strategic orientation and SMEs performance.

Therefore, this paper presents an empirical investigation of the mediating role of access to microfinance on the relationship between microfinance awareness, entrepreneurial self-efficacy and performance of Nigerian Small and Medium Enterprise (SMEs).

LITERATURE REVIEW

SME Performance

Performance of any organization is made up of their actual outcome measured against their input. Through the performance measurement, organizations would be able to focus on units that need to be improved by appraising the level of work progress in terms of time, quality and cost as well as amalgamating areas with higher output (Hansen & Wernerfelt, 1989; Ringim, 2012; Tomlinson, 2011).

A quite number of criteria are available used in assessing the SMEs performance and other organizations in the event of competition for long term survival. The key indicators used in measuring
organizational performance include both the subjective and objectives norms (i.e., profitability, management performance, liquidity and leverage market share, quality of goods and services, human resource management) (Dess & Robinson, 1984) as cited in Ringim (2012). Performance in optimal utilization of resources is related to productivity, effectiveness, and efficiency (Berry, Sweeting & Goto, 2006; Gleason, Mathur & Mathur, 2000; Benjamin, Eyas & Friday, 2011). However, Kanyabi and Devi (2012) viewed performance as the measurement of financial ability of the firm such as the investment level, level of profit in both growth in sales and profit. In contrast, Mandy (2009) viewed performance as the outcome of adapting effective management process. She posited that organizational performance can be measured using a number of criteria; which includes growth, productivity effectiveness and efficiency.

Microfinance awareness

Clarea, et al. (2011) viewed the concept of awareness as a perception of a given phase of one's performance, circumstances, conveyed perfectly. According to Oxford Dictionary (2010), awareness is the “state of acknowledging the existing of something and it’s important”. In the study of Ardichvili, Cardozo, and Ray (2003), awareness is viewed as opportunity that serves as the major component of opportunity recognition. Ardichvili et al., (2003) added that business opportunities mostly identified by entrepreneurs to deliver and create value for stakeholders in prospective enterprises. Opportunities made, not found. Therefore, there is a need for careful awareness. Ardichvili et al. (2003) also stated that awareness determines business success. Additionally, awareness is a step of having knowledge about the activities of others that provides background for someone activity (Dourish & Bellotti, 1992). Awareness measured as an individual awareness toward available opportunities. These opportunities are in the form of programs or facilities available for the community (Johnson, 2005).

Microfinance awareness and SME performance

Accumulative number of studies was conducted by different authors and in different disciplines to examine the concept of awareness. For instance, Thong, Chye, and Fong (2013) conducted a study on the awareness of microfinance with the objective of examining the level of awareness of microfinance programmes within the central Region of Malaysia among the micro-enterprises, and also the study went ahead to identify the determinants of awareness for the programmes. However, the findings of the study indicated that educational level and marketing and promotional activities are positively related with the level of awareness, while age, monthly income, social culture and gender are negatively associated with level of awareness. Creation of awareness is imperative for launching of any programs and schemes to promote entrepreneurship by the government and other stakeholders all over the world (Singh & Belwal, 2008), whereas, potential beneficiaries are excluded from microfinance scheme due to lack of awareness campaign (Gaih & Thapa, 2006). Ajemunigbohun, Ademola, and Iyun (2014) measured the level of accessibility of micro-insurance product in Nigeria through the creation of awareness and found out that awareness creation is not encouraged among the Nigerian insurance companies and it is not significantly reflect among the life of many insuring populace. Similarly, it has found that there is no significant relationship between brand awareness and brand/consumer loyalty (Subhani and Osman (2011). In contrast, Homburg, Homburg, Klarmann, and Schmitt (2010) reported positive relationship between brand awareness and market performance, where the relationship is stronger in the market that has greater buyer time pressure, homogeneous buying canters, high degree of technological turbulence and homogenous products. In the study of Panian and Spremic (2004), a significant relationship was found between degree of awareness and managers’ perception toward e-business. It has revealed from the literature that there are limited studies that associate microfinance awareness and SMEs’ performance. Therefore, based on the above literature, this study proposed the following:

Proposition 1: There is significant relationship between microfinance awareness and SME performance.
Entrepreneurial self-efficacy

According to Bandura (1997), self-efficacy is defined as beliefs of individuals concerning their ability to organize cognitive resources and needed courses of actions to effectively perform a particular task in a given situation. The achievement of higher career goals determine by higher self-efficacy beliefs of an individual (Ballout, 2009). King, (2004) measured self-efficacy as an individuals' ability to exercise control on career outcomes which facilitate to display career self-management activities that lead to the attainment of career success. Bandura, (1982) again defined self-efficacy as an individual judgment on the accomplish courses of actions necessary to deal with forthcoming situations. Self-efficacy defined as “belief in one’s ability to muster and implement necessary resources, skills, and competencies to attain levels of achievement” (Baron, 2004, p. 4).

Entrepreneurial self-efficacy and SME performance

It has established from the previous studies that, self-efficacy beliefs have significant influence on the performance level in various areas of both work-related performance and human functioning. For instance, the study of Wigfield and Eccles (1990) and also Pajares and Miller (1994) indicated that there is an independent effect on individual's beliefs on their efficacy and their performance achievements, where their highness of anxiety have little or no correlation to their academic performance. Bresó, Schaufeli, and Salanova (2011) longitudinally examine whether self-efficacy-base intervention increase engagement and performance and also decrease burnout as well as change sense of well-being among university students. The findings of their study reported that self-efficacy, performance, and engagement increase in the group intervention compare to other group.

Likewise, in the field of entrepreneurship, numerous studies have discovered a positive relationship between the level of entrepreneurial self-efficacy and firm performance (e.g., Anna, Chandler, Jansen, & Mero, 2000; Forbes, 2005; Baum & Locke, 2004; Hmieleski & Baron, 2008; Hmieleski & Corbett, 2008; Kickul, Gundry, Barbosa & Whitcanack, 2009; Torres & Watson, 2013; Oyeku, Oduyoye, Kabouh, Elemo, & Karimu, 2014; Herath & Mahmood, 2014). Nevertheless, Hmieleski and Baron (2008) and also Oyeku et al. (2014) believe that entrepreneurial self-efficacy considered to be a strong predictor of the firm’s performance. The finding of their study in the dynamic environments indicated that there is a positive relationship between high entrepreneurial self-efficacy and firm performance when the optimism is moderate, whereas the relationship is negative when the optimism is high. However, the reverse is the case in stable environment, where the effect of self-efficacy became weak and not moderated by optimism. They finally concluded that high self-efficacy is not always positive and may have negative effect in some certain conditions. Therefore, based on the above literature, this paper offered the following proposition:

Proposition 2: There is significant relationship between entrepreneurial self-efficacy and SME performance.

Access to Microfinance as potential mediator

Microfinance refers to financial services provided to low-income people that are economically active, usually to help support self-employment. Examples of microfinance products include small loans, savings plans, insurance, payment transfers and other services that are provided in small increments to low income individuals. These services help families to start and build “micro” enterprises, the very small businesses that are important sources of employment, income, and economic vitality in developing countries (CBN, 2006). Capital is a vital tool for survival and operation of any business (Aminu & Shariff, 2014). SMEs’ performance basically depends on their ability to generate finance internally and secure external finance (Demir & Caglayan, 2012; Wiklund & Shepherd, 2005). Consequently, inadequate access to microfinance will be harmful to the prospective and future growth of any business (Rahaman, 2011). Lack of financial capital is the most contributing factor to weaken the SMEs’ performance (Xavier, Kelley, Kew, Herrington, & Vorderwülbecke, 2013). Firms with no or inadequate access to microfinance
are faced with challenges in pursuing their objective or performance achievement (Giannetti & Ongena, 2009). Likewise, in Nigeria access to microfinance is one of the key problems that are responsible for the poor SMEs’ performance (SMEDAN, 2012). Hence, when SMEs access to financial capital is limited there will be high tendency of very small contribution to economic growth (Aminu & Shariff, 2014). SMEs access to finance generally is determined and influenced by the government policies and financial structures of the country (Berger & Udell, 2006). These attract the attention of both academics and practitioners all over the world on SMEs’ financing (Aminu & Shariff, 2014).

However, several empirical studies were conducted on access to microfinance, measure it in different context and as different construct; either independent variable or dependent variable and came up with different outcomes. For instance, There is positive statistical relationship between access to micro-credit and employment generation (Abdulsalam & Tukur, 2014; Akisimire, 2010; Atsede, Mwita, & Saidimu, 2012; Kuzilwa, 2005; Ibru, 2009). Financing of SMEs has significant positive relationship with their growth (Akingunola, 2011). In similar study, Mazanai and Fatoki (2012) indicated that access to finance is directly related to the performance of SMEs. Firm performance depends on its access to finance (Ribeiro Soriano, Fornoni, Arribas, & Vila, 2012). The relationship between SMEs financing and SMEs performance is an essential unresolved subject in the finance field (Aminu & Shariff, 2014). Therefore, this current study viewed access to microfinance as an entrepreneurial financial opportunity available for entrepreneurs to exploit which will lead to their performance and use it as potential mediator. This is in line with the general theory of entrepreneurship of Scott (2003). Hence, this study proposes the following propositions:

Proposition 3: Access to microfinance mediates the relationship between microfinance awareness and SME performance.

Proposition 4: Access to microfinance mediates the relationship between entrepreneurial self-efficacy and SME performance.

**CONCEPTUAL FRAMEWORK**

The proposed framework for the study is illustrated in Figure 1. The model examines the mediating effect of access to microfinance on the relationship between microfinance awareness and SMEs Performance and also between entrepreneurial self-efficacy and SMEs Performance.
RESEARCH METHODOLOGY

Structured survey questionnaire was utilized to collect data from the SMEs’ owner/managers in Sokoto State of North Western Nigeria. It is cross sectional research design where the data were collected once in a given point of time (Kumar, Talib, & Ramayah, 2013; Zikmund, Babin, Carr, & Griffin, 2012). A quantitative research approach was adopted. Variables under study were measured using the adapted questionnaire from the previous literature. Eight (8) questions on SMEs’ performance were adapted from Suliyanto and Rahab (2012) and Vorhies & Morgan, (2003), nine (9) questions on microfinance awareness were adapted from the scale of Nambisan, Agarwal, and Tanniru (1999) and Tang, Kacmar, and Busenitz (2012), 6 items of entrepreneurial self-efficacy were adapted from Wilson, Kickul, and Marlino (2007), and finally, seven (7) items to measure access to microfinance were adapted from Martin, Cullen, Johnson, and Parboteeah (2007). All variables were measured in 5 point Likert scale. One hundred (100) questionnaires were randomly distributed in a personally administered approach, out of which seventy four (74) were duly completed and returned which represent 74% of response rate. The data were analyzed using PLS statistical package. Smart PLS 2.0 was used to test the validity and reliability measure of the constructs and also to test the hypotheses.

DATA ANALYSIS

The Measurement Model (Outer Model)

Constructs validity, discriminant validity, convergent validity, and reliability were assessed to establishing the goodness of measures. Therefore, in order to satisfy the measurement model, eight (8) items were deleted which are PERF1, PERF4, PERF5, MAW3, MAW8, MAW9, ESE5, and ESE6 as it did not meet with the minimum requirements (Chin, 1998; Hair, 2010). Hence, it has resolved that the instrument adapted in this study is reliable, since none of the items is with less than 0.4. All items loaded on their respective construct ranges from 0.5438 to 0.8721. This is in line with Chin (1998) and Hair, Ringle, and Sarstedt (2011) which is acceptable since it is above the cut-off value of 0.4. Equally, the composite reliability, value ranges from 0.84 to 0.91 which are also greater than the recommended value of 0.7 (Hair et al, 2011). AVE was used to determine the convergence validity. The AVE ranges from 0.5078 to 0.5971 which is above the minimum cut-off value of 0.5 (Hair et al., 2011). Lastly to determine the discriminant validity, the calculated square root of the AVE (ranging from 0.7126 to 0.7727) exceeded the inter-correlations of the construct with the other constructs in the model, indicating adequate discriminant validity (Chin, 1998). Data on factor loading is presented in Table 1 while discriminant validity is described in Table 2. The measurement model is also illustrated in Figure 2.
Table 1: Factor Loading

<table>
<thead>
<tr>
<th>Items</th>
<th>Factor Loading</th>
<th>Composite Reliability</th>
<th>Cronbach’s Alpha</th>
<th>AVE</th>
</tr>
</thead>
<tbody>
<tr>
<td>AMF1</td>
<td>0.5438</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>AMF2</td>
<td>0.7208</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>AMF3</td>
<td>0.8506</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>AMF4</td>
<td>0.7738</td>
<td>0.9106</td>
<td>0.8905</td>
<td>0.5971</td>
</tr>
<tr>
<td>AMF5</td>
<td>0.8721</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>AMF6</td>
<td>0.8484</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>AMF7</td>
<td>0.7496</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ESE1</td>
<td>0.8485</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ESE2</td>
<td>0.6112</td>
<td>0.84</td>
<td>0.7427</td>
<td>0.5722</td>
</tr>
<tr>
<td>ESE3</td>
<td>0.6893</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ESE4</td>
<td>0.8485</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>MAW1</td>
<td>0.6747</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>MAW2</td>
<td>0.6797</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>MAW4</td>
<td>0.846</td>
<td>0.8599</td>
<td>0.8045</td>
<td>0.5078</td>
</tr>
<tr>
<td>MAW5</td>
<td>0.7282</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>MAW6</td>
<td>0.6556</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>MAW7</td>
<td>0.6736</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PER2</td>
<td>0.8535</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PER3</td>
<td>0.7412</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PER6</td>
<td>0.7364</td>
<td>0.8528</td>
<td>0.7895</td>
<td>0.5423</td>
</tr>
<tr>
<td>PER7</td>
<td>0.5285</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PER8</td>
<td>0.7822</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Table 2: Discriminant validity

<table>
<thead>
<tr>
<th>Variables</th>
<th>AMF</th>
<th>ESE</th>
<th>MAW</th>
<th>PERF</th>
</tr>
</thead>
<tbody>
<tr>
<td>AMF</td>
<td>0.7727</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ESE</td>
<td>0.0942</td>
<td>0.7564</td>
<td></td>
<td></td>
</tr>
<tr>
<td>MAW</td>
<td>-0.1141</td>
<td>0.2469</td>
<td>0.7126</td>
<td></td>
</tr>
<tr>
<td>PERF</td>
<td>-0.1568</td>
<td>0.3083</td>
<td>0.4734</td>
<td>0.7364</td>
</tr>
</tbody>
</table>
Figure 2: Measurement Model

Structural Model

After achieving the requirement of the measurement of outer model (construct validity and reliability), the next step was to test the proposed hypotheses of the study by performing the PLS Algorism and Bootstrapping in Smart PLS 2.0. The result of hypotheses testing is presented in Table 3 while the structured model is illustrated in Figure 3.

Table 3: Hypotheses Testing Results

<table>
<thead>
<tr>
<th>Hypothesis</th>
<th>Hypothesized Path</th>
<th>Beta</th>
<th>Std. Error</th>
<th>T-Statistics</th>
<th>P - Value</th>
<th>Decision</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1</td>
<td>MAW → PERF</td>
<td>0.4286</td>
<td>0.0659</td>
<td>6.5015</td>
<td>0.00</td>
<td>Supported</td>
</tr>
<tr>
<td>H2</td>
<td>ESE → PERF</td>
<td>0.2068</td>
<td>0.0634</td>
<td>3.2636</td>
<td>0.00</td>
<td>Supported</td>
</tr>
</tbody>
</table>
Testing the Mediating effects of Access to Microfinance

In examining the mediating effects of access to microfinance on the relationship between microfinance awareness, entrepreneurial self-efficacy and SMEs' performance, PLS analysis was performed to estimate the indirect effects among the variables. Table 4 present the results in which access to microfinance (AMF) have a significant indirect effect between entrepreneurial self-efficacy (ESE) and SMEs performance (PERF) at 5% significance level. Access to microfinance (AMF) also has a significant indirect effect between Microfinance awareness (MAW) and SMEs Performance (PERF) at 10% significance level.

Table 4: Mediation Hypotheses

<table>
<thead>
<tr>
<th>Hypotheses</th>
<th>Beta</th>
<th>Standard Error</th>
<th>T Statistics</th>
<th>P-value</th>
<th>Decision</th>
</tr>
</thead>
<tbody>
<tr>
<td>ESE → AMF*AMF→PERF</td>
<td>0.0010</td>
<td>0.0001</td>
<td>5.7321</td>
<td>0.00</td>
<td>Supported</td>
</tr>
<tr>
<td>MAW → AMF*AMF→PERF</td>
<td>0.0149</td>
<td>0.0087</td>
<td>1.7064</td>
<td>0.09</td>
<td>Supported</td>
</tr>
</tbody>
</table>

Note: VAF ESE -> AMF*AMF->PERF = 1.23
VAF MAW -> AMF*AMF->PERF = 1.42

Therefore, it can be concluded that access to microfinance has full mediation effect between the entrepreneurial self-efficacy, microfinance awareness and SMEs performance based on the trace whole of Variance Accounted For (VAF), which has the three category of mediation as: 1) if the VAF is less than 20% there is no mediation, 2) if it is 20% to 80% it is partial mediation and 3) if it is greater than 80% it is full mediation (Hair et al., 2011). Hence, all the VAF of the two mediating effect are greater than 80% (ranged from 1.23 to 1.42) and both direct and indirect hypotheses are significant. Figure 4 describes the result of mediating effects of access to microfinance on the relationship between microfinance awareness and SMEs performance and also between entrepreneurial self-efficacy and SMEs performance.
Figure 4: Indirect Effect

Predictive Relevance of the Model

Model of predictive relevance is evaluated using cross validated redundancy. This is done by performing the blindfolding procedures in SmartPLS which generates cross validated communality and cross validated redundancy. The value of cross validated relevance of this model is 0.0290 as indicated in Figure 5. In line with the Stone (1974) and Geisser (1974), any model with Q\textsuperscript{2} above zero has predictive relevance. Chin (1998) also provided standards of judging model predictive relevance using value of cross validated relevance of: 1) 0.02 is small; 2) 0.15 is medium; and 3) 0.35 is Large. Therefore, based on Chin (1998), Geisser (1974), and Stone (1974) the model has small predictive relevance.

Figure 5: Predictive Relevance
CONCLUSION AND DISCUSSION

The objective of this study is to examine the relationship between the microfinance awareness (MAW), entrepreneurial self-efficacy (ESE), and SMEs performance with the mediating effect of access to microfinance (AMF). The statistical finding of the study shows that all the hypotheses were supported. In the first hypothesis, MAW and SMEs performance relationship is significant ($\beta = 0.4286$, $t = 6.5015$, $p = 0.00$). This result is consistent with the earlier finding of Panian and Spremić (2004), Mansor, Shariff, and Manap (2012), and also Ugwu and Ezeani (2012) which is significant and positive. Even though they used the concept of awareness in different context but their finding is accordance with the current study. Therefore, it is implies that higher level of entrepreneurial awareness will bring maximum level of organization. The second hypothesis supported that ESE to SMEs performance relationship is significant ($\beta = 0.2068$, $t = 3.2636$, $p = 0.00$). This is similar with the previous outcome of Anna, Chandler, Jansen, and Mero (2000), Forbes (2005), Hmieleski and Corbett (2008) which all reported a positive relationship between entrepreneurial self-efficacy and firm performance. However, the findings of Hmieleski and Baron (2008) and Oyeku et al. (2014) in the dynamic environments indicated that there is a positive relationship between high entrepreneurial self-efficacy and firm performance. Thus, by implication the rightness of entrepreneurial self-efficacy of the entrepreneurs will bring maximum performance of organization. Likewise, both the third and fourth hypothesis supported the argument that AMF mediated the relationship between MAW and SMEs performance ($\beta = 0.0149$, $t = 1.7064$, $P$-Value = 0.09), and also between ESE and SMEs performance ($\beta = 0.0010$, $t = 5.7321$, $P$-Value= 0.00).

This study contributes in both theory and practice. The theoretical contribution of this study is the extension of the existing literature about MAW-SMEs performance and ESE–SMEs performance relationships. Furthermore, this study is among the few studies that examine the mediating effect of access to microfinance on the relationship between MAW, ESE, and SMEs performance. Practically, the results of this study will help the stakeholders (i.e., agencies, both governmental and non-governmental organizations) in taking appropriate decisions as regards to awareness campaign toward the existence and benefit of microfinance facilities. It also helps SME owner/managers in understanding the important role of access to microfinance toward SMEs performance. Access to microfinance can help owner/managers to realize the desired maximum performance in organizations. Finally, this study suggested that a large sample should be utilized for the future research using PLS-SEM in order to re-validate the model.

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